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# Farm Broadcasters Letter



Letter No. 2277

August 28, 1986

## LARGE FEED GRAIN CROP

Although the 1986 feed grain program helped to hold plantings to 120 acres, the U.S. feed grain crop is forecast at 254 million metric tons, down 7 pct. from--and second only to--last year's record harvest, according to the U.S. Department of Agriculture. Corn is forecast to supply about 83 pct., or 8 billion 300 million bushels, of the expected total, while about 9 pct., or 850 million bushels, is sorghum. Following record production in 1984 and an excellent harvest in 1985, this year's barley crop is forecast to reach a new high of 650 million bushels.

## WORLD COARSE GRAIN PRODUCTION

The world coarse grain production in 1986/87 is forecast at 821 million tons, down about 23 million from a year earlier, according to the U.S. Department of Agriculture. Foreign production likely will fall about 3 million tons, with an 8-million-ton drop in the USSR. Total foreign output is nonetheless projected near the 1984/85 record of 571 million. Among major foreign export competitors--Argentina, Australia, Canada, South Africa, and Thailand, production is forecast to fall about 1 million tons to 64 million.

## HARVEST IN USSR

The grain harvest in USSR is half completed, according to the U.S. Department of Agriculture. The Soviet press reports small grains and pulses had been cut on 58 million hectares (145 million acres), or 53 pct. of the area, as of Aug. 18. Threshing had been carried out on 54 million 200 thousand hectares (125½ million acres) or 93.4 pct. of the area cut. This percentage of threshing is the highest since at least 1982.

## COARSE GRAIN TRADE TO EXPAND

Aided by improving economic conditions, reduced energy prices, and lower grain prices, global coarse grain trade is forecast to expand to over 90 million tons in 1986/87, up almost 7 million 500 thousand from the previous year, according to the U.S. Department of Agriculture. This expanded trade excludes trade within the European Community. The U.S. market share may rise to 52 pct. from 43 pct. a year earlier. Export movement in 1985/86 was the lowest of the last 10 years, and the U.S. share of trade declined dramatically. Most signs for 1986/87 indicate improved demand for U.S. grain.

## THANKSGIVING IS COMING

The U.S. Department of Agriculture forecast of the 1986 U.S. cranberry crop is for 3 million 590 thousand barrels, up 2 pct. from the 1985 and 8 pct. more than the 1984 crop. The average price per barrel in 1985 increased 20 cents to \$54.60.

MORE COARSE  
GRAINS TO EC?

The European Community's demand for imported coarse grains may be higher in 1986/87 because of sharply lower corn supplies, particularly in France. According to the U.S. Department of Agriculture, the EC corn crop is forecast to be 1 million 600 thousand metric tons less than last year due primarily to a 1 million 400 thousand ton reduction in the French crop. The French shortfall could be covered by non-EC feed grain imports such as U.S. corn or surplus EC feed wheat and barley.

PASTA WAR  
ENDS

On August 21, the United States and the European Community implemented the first stage of the recently signed citrus agreement by withdrawing their retaliatory actions on pasta, lemons and walnuts. According to the U.S. Department of Agriculture, the U.S. duty on pasta with egg dropped from 25 pct., to 0.25., and the duty on pasta without egg was lowered from 40 pct. to 0.5 pct. The EC duty on U.S. lemons and walnuts was cut from 20 pct. and 30 pct. to 8 pct.

BALLOON PAYMENTS  
IN BUYDOWN  
PROGRAM

The U.S. Department of Agriculture has issued new regulations to encourage commercial lenders to make more loans available to farmers while giving them easier repayment terms. The regulation permits lenders to use balloon installments when they make loans guaranteed by FmHA under the interest buydown program. A loan with a balloon installment lets borrowers make regular, usually smaller, payments over the life of a loan with a large amount--a balloon--remaining to be paid at the end of the repayment period. For details, check the local Farmers Home Admin. office.

INTEREST RATES  
HELP INCOME  
CLIMB IN '85

Interest rates fell enough to lower debt service costs and help net cash farm income climb 12 pct. to \$44 billion, according to the U.S. Department of Agriculture. However, net farm income, an approximate measure of the net value of agricultural production, slipped 7 pct. from 1984's record level to \$30 billion 500 million. More than 85 pct. of farm operator households received income from sources other than their farm in 1985. Off-farm incomes of farm operator households increased 8 pct. to \$40.8 billion.

ECONOMIC  
INDICATORS -  
OVERALL

The total farm output increased 6 pct. in 1985 led by record feed grain production primarily due to record-setting corn yields, according to the U.S. Department of Agriculture. Most farmers paid less to produce their goods and earned greater net cash income than in 1984. Cash expenses to produce farm goods declined more than \$5 billion. Many also saw shrinking equity, as the value of their real estate continued to decline. Export value and volume of agricultural goods also declined, cutting earnings. Commercial-size operations with annual sales of at least \$40,000 increasingly saw their debt outpace assets, perhaps because of unusually heavy reliance on Commodity Credit Corporation loans late in 1985.

DAIRY  
TERMINATION  
PROGRAM

An estimated 21,900 head of dairy cattle were slaughtered in Federally-inspected plants during the week ending Aug. 9, as a result of the Dairy Termination Program, according to the U.S. Department of Agriculture. The total slaughtered under the program from April 1 through Aug. 9 is an estimated 664,900 head.



FROM OUR  
TELEVISION  
SERVICE

**CURRENT OUTLOOK FOR U.S. EXPORTS...**U.S. agricultural exports in fiscal year 1986 are forecast at \$26 billion, down nearly \$5 billion from last year. USDA economist Steve MacDonald examines the situation and outlook for U.S. exports. Vic Powell interviews. (261)

**FEED OUTLOOK...**U.S. feed grain forecasts indicate that while weather for good growing conditions was unevenly distributed across the U.S., production for the nation as a whole will be high. USDA economist David Hull talks about the current situation and outlook for feed grains. Vic Powell interviews. (262)

**SUN AND AGING...**Dr. Barbara Gilchrest with USDA's Human Nutrition Research Center in Boston, focuses on research work being conducted to study the effects of sun on the aging process. Vic Powell interviews. (263)

**AGING NUTRITION...**Dr. Barbara Gilchrest with USDA's Human Nutrition Research Center in Boston, talks about aging and the role of nutrition and cell growth in the aging process. Vic Powell interviews. (264)

**ARS RESEARCH REPORTS...**USDA research scientists are experimenting with methods and new technologies to help monitor and keep track of animals and livestock; and exploring a new high-fiber food product using treated plant materials for use in other foods. Will Pemble reports. (265)



FROM OUR RADIO  
SERVICE

**AGRICULTURE USA #1526...**(Weekly 13½ min documentary) Gary Crawford presents the opinions of experts on the effects of tax reform with special emphasis on the effects on the agricultural industry.

**AGRITAPE/FARM PROGRAM REPORT #1515...**(Weekly reel of news features) USDA news highlights; Speeding up loan processing on warehouse stored grain; Tax reform and farmers; A controversial ethanol study; Conservation reserve results.

**CONSUMER TIME #1008...**(Weekly reel of 2½-3 min features) Preparing a fall garden; A growing mariculture industry; Recipes needed for unknown fish; Popular foods made from obscure fish; An American model home in Tokyo.

**USDA RADIO NEWS SERVICE...**Wed, Sept. 3, Wheat outlook; Thurs, Sept. 4, Dairy product output; Tues, Sept. 9, Crop and weather update; Thurs, Sept. 11, U.S. crop production forecast, USSR grain outlook, World ag. supply and demand; Mon, Sept. 15, Milk production, Cattle on feed.

OFF MIKE

Bob Zank (Ag News Net, Neillsville, WI) reports they will be moving (or have already). New facilities were built in nearby Black River Falls, and the first broadcast from there was scheduled for Sept. 1. The new address is 216 Main St. (PO Box 97), telephone 715-284-9200 ... "Lightning fried it" is the way Cindy Zimmerman described the effects of a lightning strike on their control board at the Independent Florida Agrinet in Ocala. The network has a 1500-foot hard wire connection between the studio and their satellite uplink. The wire and uplink weren't damaged but the board suffered. (Comment for coffee conversations..."Ocala, Florida, is the lightning capitol of the country," and we're quoting Cindy on that) ... Iowa State Univ has a 1-1/2 day Ag Journalism Conference set for Sept. 19-20, and the theme is "The Farm Beat Today." Notables on the program include Dick Lee, (director Extension Info, Univ of Missouri); Jerry Passer (WMT, Cedar Rapids, Iowa); Jerry Bretey (Gen Mgr, KGLO/KNIQ, Mason City, Iowa); and Craighton Knau (KMA, Shenandoah, Iowa) ... Speaking of lecturing and things like that, we learn that Doug Thomas (Southern States Net, Baton Rouge, Louisiana), will be teaching an evening class in agricultural communications at the Manship School of Journalism this fall ... Jack Towers, (retired head of USDA Radio) is well-recognized as an expert in restoring old recordings. Now we learn he is a consultant on a project to put on digital tape the most complete Benny Goodman record collection in the world, owned by a Goodman friend living in Bangkok. Jack may be traveling to Bangkok as part of the project ... Lynn Ketelsen (Linder Farm Net, Willmar, MN) spent four days in mid-August in the Steamboat Springs, Colorado, area on the American Sheep Producers Council Lamb Tour. Lynn was the farm broadcaster chosen to join the diversified group of media and industry people on the tour.

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